AgroSpectrum ASIA
Envisaging Future | Updating Present

European Commission has approved â?¬3.7 billion Czech State aid scheme for sustainable biomethane production

15 April 2026 | News

Transition towards a net-zero economy



Transition towards a net-zero economy

The European Commission has approved a â?¬3.7 billion Czech scheme to support the construction of biomethane production stations in line with the objectives of theÂ Clean Industrial Deal. This measure will contribute to the transition towards a net-zero economy. The scheme was approved under theÂ Clean Industrial Deal State Aid Framework (CISAF) Â adopted by the Commission onÂ 25 June 2025.

The Czech measure

Czechia notified to the Commission a â?¬3.7 billion scheme to support the production of sustainable biomethane, to be used in transport, heating and industry. The scheme will run until 31 December 2030.

The scheme will support new capacity in both newly-built biomethane stations and existing biogas stations that are converted into biomethane stations. The scheme will be open to biomethane producers holding a gas production licence in the Czechia. To qualify for aid under the scheme, biomethane production must comply with the requirements set out in the EU Renewable Energy Directive. The measure is expected to benefit mostly small and medium-sized farms.

The aid will take the form of a **direct price support scheme**, with a two-way contract for difference that provides a bonus for each MWh of biomethane produced for a duration of 15 years, based on a so-called strike price. If market prices of natural gas are lower than the strike price, the State will pay the producers. If they are higher, the companies will pay back the difference. The beneficiaries will be selected through a competitive tendering procedure.

The scheme is expected to support installations with a total output of 350 million standard cubic meters of sustainable biomethane, which contributes to the objectives of the Clean Industrial Deal.

The Commission assessed the scheme under EU State aid rules, in particular Article 107(3)(c) of the Treaty on the Functioning of the EU ('TFEU'), which enables Member States to support the development of certain economic activities subject to certain conditions, as well as under the CISAF.

The Commission found that the Czech scheme is in line with the conditions set out in the CISAF. In particular, the aid will be granted based on a scheme with a clear estimated volume and budget, and the aid will be provided as **direct price support** through a two-way contract for difference, which will be awarded via a competitive bidding process.

The Commission concluded that the Czech scheme is necessary, appropriate and proportionate to accelerate the transition towards a net-zero economy and facilitate the development of certain economic activities, which are of importance for the implementation of the Clean Industrial Deal.

On this basis, the Commission approved the aid measure under EU State aid rules.

Background

On 25 June 2025, the Commission adopted the CISAF to foster support measures in sectors which are key for the transition to a net-zero economy, in line with the Clean Industrial Deal.

The CISAF allows the following types of aid to accelerate the green transition:

- **Measures accelerating the rollout of renewable energy** Â and low-carbon fuels **Â** (sections 4.1 and 4.2). Member States can set up schemes for investments in all renewable energy sources as well as energy storage, with simplified tender procedures. Specific rules are also provided to accelerate the roll-out of low-carbon fuels.
- **Measures allowing temporary electricity price relief** Â for energy-intensive users to ensure the transition to low-cost clean electricity (section 4.5). Such measures will help to avoid industrial activities relocating to locations where environmental regulations are absent or less ambitious, before the decarbonisation of the EU's electricity system fully translates into lower electricity prices.
- **Measures facilitating the decarbonisation of industrial processes Â** (section 5). Member States can support investments in the decarbonisation of industrial activities to reduce dependency on imported fossil fuels. This can happen through electrification, energy efficiency and the switch to the use of renewable and electricity-based hydrogen which complies with certain conditions, with expanded possibilities to support the decarbonisation of industrial processes switching to hydrogen-derived fuels.
- **Measures to ensure sufficient clean technology manufacturing capacity Â** (section 6). Member States can grant investment support for strategic projects in line with the Â Net Zero Industry Act Â (such as batteries, solar panels, wind turbines, heat-pumps, electrolysers, and carbon capture usage and storage). This also includes the production of key components and the production and recycling of related critical raw materials.
- **Measures to de-risk private investments Â** required for the roll-out of clean energy, industrial decarbonisation, clean tech manufacturing, certain energy infrastructure projects, and projects supporting the circular economy Â